

Donna Fastenau
406-652-1440

SB 204
1-23-07

January 18, 2006

BUSINESS, LABOR & ECONOMIC AFFAIRS
EXHIBIT No. 7
DATE 1-23-07
BILL No. SB 204

TO: Committee Members

FROM: Beth Klunder
Vice-President
Rocky Mountain Bank

Dear Committee Members:

FAIRS

I am writing to express my concern about the experience I had with Safeco Insurance on an insurance claim that I had on my vehicle.

I was given the choice of going to Chassis Works or Big Sky Collision in Billings to have my vehicle inspected by a Safeco Adjuster.

I have handled all of my auto body repair work through Hank's Body Shop for years. I trust them, and know the owner's personally. I do NOT choose to obtain estimates or shop for competitive bids at other body shops in Billings.

I felt it was very inconvenient to drive up to Chassis Works in Billings Heights on icy roads to have my car adjusted. I also felt that I was being "steered" by Safeco to have my car repairs done at Chassis Works.

I felt uncomfortable and out of place at Chassis Works because I was not having my car repaired by them. It would be my recommendation to have Safeco choose a "neutral" location for their claims representatives in the future.

Sincerely,

Beth Klunder
Beth Klunder

4580 Laredo Place
Billings, MT 59106

January 17, 2007

Re: Vehicle Repair

To Whom It May Concern:

The purpose of this letter is to alert the legislature to a practice that is occurring in Billings, MT. My understanding of Montana law is that people have a choice of body shops for vehicle repair and that multiple estimates of repair are not required.

In December 2006 I unfortunately experienced a minor, vehicle collision and was instructed by my long-term insurance agency, Safeco Insurance, to make an appointment with Big Sky Collision Center in Billings for a claims adjuster to prepare an estimate of the damages to my vehicle. I had already contacted Track Side Auto Body & Glass, my preferred company, in Billings for an appointment for an estimate and repair of my vehicle. The estimate at Big Sky Collision Center took an hour of my time which I felt was unnecessary since I had no intention of authorizing that body shop to perform the repair. Following that appointment, I went to Track Side Auto Body & Glass for another estimate and to schedule the repair. This was duplicated effort on my part and a waste of time for Big Sky Collision Center. In fact, their estimate neglected to include all of the damage, and Track Side Auto Body had to follow-up with the estimator for approval on additional repairs.

I am concerned that insurance companies can require insureds to obtain vehicle damage estimates at a specific body shop with the implication that is the only "approved" site. Doesn't that practice circumvent the law of free choice in automobile repair? Thank you for your consideration.

Sincerely,


Phyllis A. Jenkins

On December 15, 2006 I was going to my fathers house who had just passed away, about 6 miles from his house I hit a Bull Elk that was on the road. It was a unavoidable because of an on coming car and the fact that it was completely dark. There was a consierable amont of damage done to the right front of my 2004 Chevy pickup. I called Farmers Insurance the next morning. I got the claim going and they told me I could use any Body Shop I wanted to, but they had their preferred body shops. I got some estimated from the shops I wanted to go to. I called claime adjuster and he said he would have to see my pick up before I could go to Track Side Auto Body Shop. I told him I was working 6 days a week 8 to 10 hours a day. I also told him where my pick up was all day and he got come and lood at it. He told me I would have to be there for him to look at my pickup. I did get a day off and went to Farmer Claims Office and was told that my claime adjuster was out that day and nobody else was available to look at my pickup and really pushed their preferred shops to take my truck to geted fixed. I just had to drop off my truck and they would get started on fixing it right away. Between working and trying to put together a furenal service for my father I finally got mad and went to one of Farmers preferred shops and got my truck fixed. When I got my truck back it looked nice, but the first time I washed it the hood was scratched. I was really disappointed that I did not go to who I wanted to go to and used one of Farmers preferred shops. If I can go to any shop, it should not be sol hard to go the body shop I want to go to withour a adjusted looling at my truck. From the estimates I got there was not much difference in the prices.

Thank you for your time

Deborah Senn

Deborah Senn
January 17, 2007

Date: January 17, 2006

Re: Auto insurance/body shop recommendations

In 2005, my car was involved in an accident where I was not at fault. When the other party's insurer contacted me they urged me to go to a particular auto company here in town as it was their "body shop of choice". I went there first and they gave me a bid for \$2100 for repairs. I went to another shop and was given a bid of \$1700. I called the insurer and told them their recommended shop was higher by 24% on the bid. They said that was still fine and to go to that shop for the work. I declined and got the work done for \$1700 and called the insured party and told them of the conversation.

Mike Dimich

406-252-9355

Billings, Montana

Dear Committee Members:

I would like to urge you to pass the amendments to SB 204. Allowing insurance companies to set up shop in independent repair facilities is steering and interferes with free trade. When a Safeco, USAA, or Hartford customer comes into my shop for an estimate, I must tell them they have to get their estimate at another body shop. I will never see many of these potential customers back in my shop. I have no idea how many customers I have lost because of this process. Also, to my knowledge, I am only aware of the 3 companies I mentioned doing this, there might be others that I will not get a chance to see. What would stop other companies from following this same procedure if these companies are allowed to continue? What will happen to free enterprise then?

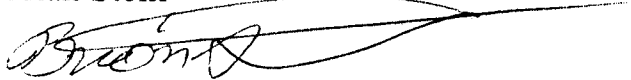
Gratuity? Safeco specifically is not paying the body shop rent to give their adjusters space in the shop facility. Is this gratuity, or is the payment for being in the body shop more vehicles to repair since they are requiring insureds and claimants to come to their facility?

I have also included a few letters from consumers expressing their feelings of intimidation by not being allowed to choose a shop of their choice.

I ask that you please consider our letters and please pass the amendments.

Thank you for your consideration,

Brian Stein

A handwritten signature in black ink, appearing to read 'Brian Stein', with a long horizontal flourish extending to the right.

Track Side Auto Body
2012 1st Ave. North
Billings, MT 59101
406-256-8366